

Avoiding Building disputes

This article provides information as to how to manage risk to avoid building disputes arising.

Good Practice

A successful building project has costs under control, good quality, and the job finishes on time. This normally leads to the parties parting on good terms.

An unsuccessful project has escalating costs, poor quality, and time delays. This can lead to the parties falling out.

Factors affecting outcome

The common factors affecting the outcome of a building project are cost, quality, and time.

1. Cost
 - a. Tender documents should accurately reflect the work required.
 - b. Contract should include a detailed price.
 - c. Cost of extra works should be controlled during the works.
 - d. Final account should be agreed promptly.

2. Quality
 - a. Tender and contract documents should include specification and drawings.
 - b. Quality should be controlled on site.
 - c. Independent site inspections to be carried out (building inspector, NHBC).
 - d. Handover inspection of defects to be carried out.
 - e. Defects (rectification) period to be included in the contract.
 - f. Final certificate to be issued once all defects are rectified.

3. Time
 - a. Contract should include start and finish dates.
 - b. Contract should include damages clause.
 - c. Time slippages should be monitored and dealt with.
 - d. Last minute changes should be avoided.

Good Practice summary

1. Decide what you want to build
2. Send out accurate tender documents

3. Get competitive tenders
4. Compare tenders or quotations carefully
5. Raise concerns before placing order or contract
6. Agree stage payments
7. Place order in writing; use a standard contract if possible
8. Avoid making changes

DO NOT

1. ask for quotations without giving an accurate brief
2. get only one price (unless you know and trust the contractor well)
3. pay up front; relate payments to works done
4. change the scope of the work, especially at the last minute
5. instruct extras without agreeing a price beforehand
6. leave the cost of extras to the end; agree them as you go along
7. withhold payment without good reason.

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